

**FIRST MIDWEST BANCORP, INC. (the “Company”)
AUDIT COMMITTEE CHARTER**

Purpose

The purpose of the Audit Committee (the “Committee”) shall be to assist the Board of Directors of the Company (the “Board”) in its oversight of: (1) the integrity of the financial statements of the Company and systems of internal control over financial reporting; (2) the Company’s compliance with legal and regulatory requirements relating to financial reporting and disclosure; (3) the independence and qualifications of the independent auditors; and (4) the performance of the Company’s internal audit function and independent auditors.

The Committee shall prepare the report required by the rules of the Securities and Exchange Commission (“SEC”) to be included in the Company’s proxy statement.

Membership

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board upon the recommendation of the Nominating and Corporate Governance Committee. All members of the Committee shall be independent directors under the standards applied by the Nasdaq Stock Market (“Nasdaq”) and/or SEC. Members shall not accept any consulting, advisory, or other compensatory fee from the Company, other than in their capacity as directors, and shall not be an affiliate of the Company or its subsidiaries.

All members of the Committee must be able to read and understand fundamental financial statements, including balance sheet, income statement, and cash flow statement. At least one member of the Committee shall be an “audit committee financial expert” as defined by the SEC.

Meetings

The Committee shall meet in person or telephonically at least four times per year, or more frequently as circumstances dictate. At such meetings, a majority of the Committee’s members shall constitute a quorum. The Committee shall meet privately in executive session at least annually. The Committee shall meet separately periodically with management, the internal auditors, and independent auditors to discuss issues and concerns warranting Committee attention. The Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Responsibilities and Authority

The Committee shall have the sole authority to appoint or replace the independent auditors. The Committee shall be directly responsible for the compensation and

oversight of the work of the independent auditors (including resolution of disagreements between management and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditors are to report directly to the Committee.

The Committee shall pre-approve all audit services, internal control services, and permissible non-audit services provided to the Company by the independent auditors. The Committee may delegate its approval authority to one or more of its members, provided any such approvals are presented to the Committee at a subsequent meeting.

The Committee shall make regular reports to the Board. The Committee shall reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval. The Committee shall review annually the Committee's own performance.

In addition, the Committee, to the extent it deems necessary or appropriate, shall:

1. Discuss with management and the independent auditors the annual audited financial statements including disclosures made in management's discussion and analysis. The Committee shall recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.
2. Discuss with management and the independent auditors the quarterly financial statements, including the results of the independent auditors' review of the quarterly financial statements.
3. Discuss with management and the independent auditors significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including significant changes in the Company's selection or application of accounting principles.
4. Review and discuss with management and the independent auditors the Company's assessment of the effectiveness of internal controls over financial reporting and the independent auditors' attestation report on the Company's assessment.
5. Discuss reports from the independent auditors on:
 - (a) all critical accounting policies and practices to be used;
 - (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and
 - (c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

6. Discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance.
7. Discuss with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
8. Review disclosures made to the Audit Committee by the Company's CEO and CFO during their certification process for Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls, or material weaknesses therein, and any fraud involving management or other employees who have a significant role in the Company's internal controls.
9. Discuss with the independent auditors the overall planning and scope of the financial statement audit.
10. Discuss the qualifications, performance, and independence of the independent auditors, including considering whether: (1) the auditors' quality controls are adequate; (2) material issues have been raised in any internal quality control review, peer reviews or governmental or other inquiry or investigation; and (3) the provision of permissible non-audit services is compatible with maintaining the auditors' independence, taking into account the opinion of management and internal auditors.
11. Oversee the appointment and replacement of the outsourced internal audit service provider and Audit Services Director.
12. Discuss with the internal auditor the timing and scope of the internal audit plan.
13. Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
14. Obtain reports from management with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Ethics and Standards of Conduct.
15. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.
16. Discuss with management any legal matters that may have a material impact on the financial statements or the Company's compliance policies and internal controls.

In carrying out the purposes of this Charter, the Committee may develop a checklist of specific actions to be taken or such other policies and procedures that the Committee deems necessary or appropriate to discharge its duties and responsibilities. The Committee believes it should remain flexible, in order to best react to changing conditions and circumstances.

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special or independent counsel, accountant or other experts, as it deems appropriate, without seeking approval of the Board or management. The Committee shall be provided with appropriate funding, as determined by the Committee, for payment of compensation to the independent auditors and advisors engaged by the Committee, and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Limitations of Audit Committee Role

In carrying out its oversight responsibilities, the Committee relies on the expertise and knowledge of management, the independent auditors, and the internal auditors. Management of the Company is responsible for determining the Company's financial statements are complete, accurate, and in accordance with generally accepted accounting principles. Management and the internal auditors are responsible for maintaining appropriate accounting and financial reporting principles and policies, and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The independent auditors are responsible for planning and carrying out a proper audit of the Company's financial statements. It is not the duty of the Committee to plan or conduct audits, to determine that the financial statements are complete and accurate and are in accordance with generally accepted accounting principles, to conduct investigations, or other types of auditing or accounting reviews or procedures.

Adopted by the Audit Committee on February 22, 2006